

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC SAFETY**

**Call to Order:** By **CHAIRMAN STANLEY (STAN) FISHER**, on January 15, 2003 at 8 A.M., in Room 317-A Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Stanley (Stan) Fisher, Chairman (R)  
Sen. Corey Stapleton, Vice Chairman (R)  
Sen. Keith Bales (R)  
Rep. Tim Callahan (D)  
Rep. Carol C. Juneau (D)  
Rep. Dave Lewis (R)  
Sen. Trudi Schmidt (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Marian Collins, Committee Secretary  
Brent Doig, OBPP  
Todd Younkin, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp for these minutes appears at the beginning of the content it refers to.

**Committee Business Summary:**

Hearing & Date Posted: None  
Executive Action: Military Affairs Budget

**EXECUTIVE ACTION ON MILITARY AFFAIRS BUDGET**

**CHAIRMAN FISHER** opened the meeting and asked that Todd Younkin of the Legislative Fiscal Division to explain Exhibit #2 from January 14, 2003.

**Todd Younkin, LFD Staff**, stated that the new legislative budget as adopted by the joint committees is \$2.793 million for FY 2004 and 2005. If this committee accepts the executive proposals to reduce general fund, that does not reduce it from the new legislative budget; it is just a re-allocation of the reduction from an unspecified lump sum amount to a more specified amount. As this committee goes through each decision package, it is important for everyone to understand the action taken. If this committee decides to increase or decrease general funds, it is also important for everyone to understand whether that increase or decrease is a re-allocation of the unspecified reduction or if it is a change to the new legislative budget. If a specific notation is not made, **Mr. Younkin** stated that he will assume that the new legislative budget is to remain the same when a decision is made on general fund. If this committee accepts all of the executive decision packages as presented in the executive budget, the agency's general fund budget would be \$2.793 million each year. As noted on Exhibit #2 (January 14, 2003), the "Unspecified Reduction Remaining if All Decision Packages Adopted," the agency would then have \$370,851 in FY 2004 and \$347,492 in FY 2005 that is an unspecified reduction. That means in addition to the specific reductions, the agency would still have to re-allocate those two amounts. Based on the actions of the joint committee, that funding is out: the committee needs to take no action today to decrease the budget to get to that level.

***{Tape: 1; Side: A; Approx. Time Counter: 8.1 - 10}***

**Motion:** SEN. BALES moved to **ADOPT THE FISCAL 2002 BASE FOR ALL FUNDING EXCEPT FOR GENERAL FUND AND STATEWIDE PRESENT LAW ADJUSTMENTS AS REQUESTED FOR ALL FUNDS.**

**Discussion:**

**Mr. Younkin** explained that the idea is to come out of subcommittee having each part of the budget voted on by the subcommittee or the joint committees. The motion by the joint committees addressed general fund only. As a starting point, the subcommittee still has to approve a starting point for other funds, which is why this committee is starting at the FY 2002 base for funds other than general. For general funds, this committee is starting at FY 2000. The budget currently has a

variety of adjustments for statewide adjustments that will remain in the budgeting system. It does not change the bottom line general fund number.

**Vote: Motion carried 4-3 with REP. CALLAHAN, REP. JUNEAU AND SEN. SCHMIDT voting no by voice vote.**

**Mr. Younkin** referred the subcommittee to page D-151 and D-152 of the Legislative Budget Analysis 2005 Biennium concerning the Centralized Services Division. DP 3 is position that was authorized as one-time-only by the 2001 legislature. The department is asking for it to be made permanent. The adjustment is made solely to federal funds.

**Motion: REP. LEWIS moved DP 3 BE ADOPTED.**

***{Tape: 1; Side: A; Approx. Time Counter: 13.6 - 17.2}***

**Discussion:**

**REP. JUNEAU** asked if money can be moved to another line item within a department if it is determined that the money is needed more in another area. **Mr. Younkin** said, "Yes, with some qualifications. There are limits on how much or whether or not an agency can actually move personal services fund. They can't move the money to operating or buy equipment." **CHAIRMAN FISHER** stated that federal money is designated for a particular program and is not able to be transferred from one program to another.

**Vote: Motion carried 7-0 by voice vote.**

**Mr. Younkin** stated that DP 7003 is an overall reduction made by the executive to help them balance their budget. It's a reduction of approximately \$19,500 each year general funds to the Centralized Services Division.

***{Tape: 1; Side: A; Approx. Time Counter: 17.8 - 30.0}***

***{Tape: 1; Side: B; Approx. Time Counter: 1.0 - 6.5}***

**Motion/Vote: REP. LEWIS moved DP 7003 BE ADOPTED. Motion carried 6-1 with REP. CALLAHAN voting no by voice vote.**

**CHAIRMAN FISHER** suggested funding Centralized Services with general fund monies in order to continue operations responsible for billing the federal government for reimbursement.

**SEN. STAPLETON** asked if, by the action on DP 7003, this committee went below FY 2000 base general fund or designated \$19,000 worth of cuts. **Mr. Younkin** responded that there was no exception noted and therefore left the FY 2000 base and reallocated part of the unspecified reduction. The department still has its overall cut back to the 2000 levels and that number hasn't changed. Of that cut, \$19,000 was to be taken for that purpose within the division. **CHAIRMAN FISHER** stated the committee can specify to Military Affairs which divisions are to be cut, or Military Affairs can make those decisions internally, or this committee could add an amount such as \$50,000 of general fund money.

*{Tape: 1; Side: B; Approx. Time Counter: 6.6 - 8.6}*

**SEN. BALES** stated that with the significance of Centralized Services, and the cuts that have already been made, it is important to fund Centralized Services due to the fact that a large part of Military Affairs' funding comes from the federal government. He suggested adding some money back in for each year. **SEN. SCHMIDT** commented that it is premature to start returning money to programs that have been cut. **SEN. STAPLETON** stressed the importance of discussing, in subcommittee, funding that each committee member feels is needed in any particular program. **CHAIRMAN FISHER** reminded the committee that when issues leave this subcommittee and go to the full Appropriations Committee, it will be necessary for this subcommittee to defend the decisions made. This also allows each department to be clear where they stood with the subcommittee.

**Motion/Vote:** **SEN. BALES** moved to **REPLACE \$50,000 PER YEAR ADDED INTO THE OVERALL STARTING POINT FOR CENTRALIZED SERVICES BUDGET.** Motion carried 6-1 with **REP. JUNEAU** voting no by voice vote.

**SEN. BALES** stated that Centralized Services will still be below the executive budget by about \$43,000.

**CHAIRMAN FISHER** stated the next program is the Challenge Program, which receives federal funding and state special funding.

**Mr. Younkin** stated that there are representatives from the Department of Labor and Industry to answer questions about the WIA federal youth program. **SEN. SCHMIDT** asked for more information about the WIA program.

**Ingrid Childress, Administrator, Workforce Services Division, Montana Department of Labor and Industry,** gave a brief overview of the U.S. Department of Labor's Workforce Investment Act (WIA). The youth program under the WIA is divided into two categories:

younger youth and older youth. The younger youth would be in the program that would be the most comparable to the Youth Challenge Program. The WIA program is not a residential. It is designed to serve youth in their communities and homes. There are a series of service providers through the Human Resource Development Council who enroll the youth. It is designed to serve at-risk kids. The WIA program served 743 youth in Montana during 2002.

**{Tape: 2; Side: A; Approx. Time Counter: 1.9 - 19.7}**

**Motion: SEN. STAPLETON moved DP 1 BE ADOPTED. Motion carried 6-1 with REP. JUNEAU voting no by voice vote.**

**Mr. Younkin** stated that DP 1 restores funding for the Montana National Guard Youth Challenge Program, which has been funded one-time-only by the previous two legislatures. The National Guard Bureau's funding agreement with Montana requires no less than a 100-bed facility. **CHAIRMAN FISHER** stated that funding is currently split 60% federal/40% state. However, administrators are in Washington DC now requesting funding be returned to the 75% /25% split that was originally set.

**SEN. BALES** asked for clarification about Employment Security Account (ESA) which funds the Youth Challenge Program. **Mr. Younkin** explained that the ESA was established in the early 1980's and the intent was to maintain operations of the rural job service centers. At that time, a percentage of the unemployment tax paid by employers that went into the ESA. During the 1999 legislative session, the tax was raised slightly to .013 of the unemployment taxes paid. That currently supports several programs within the Department of Labor and Industry in addition to the Youth Challenge Program.

**REP. LEWIS** stated his previous reservations about the Youth Challenge Program: that it was a good program but too expensive. Several families in his district whose children went through the program contacted him before the Special Session, all stating how pleased they are with how their children did in the program.

**SEN. BALES** stated concern about where the money is going to come from to support the program, because this is another fee assessed on businesses originally intended for other purposes.

**{Tape: 2; Side: A; Approx. Time Counter: 20. - 30.3}**

**Motion/Vote: REP. JUNEAU moved to REQUEST THE NATIONAL GUARD WRITE TO MONTANA'S CONGRESSIONAL DELEGATION ENCOURAGING RETURNING 75% FEDERAL FUNDING TO SUPPORT THE YOUTH CHALLENGE PROGRAM, AND**

**ALLOW LOWERING OF THE REQUIRED NUMBER OF BEDS IN THE PROGRAM FROM 100 TO 75. Motion failed 3-4 with REP. CALLAHAN, REP. JUNEAU AND SEN. SCHMIDT voting aye by hand vote.**

**Motion/Vote: REP. JUNEAU moved to REQUEST THE NATIONAL GUARD WRITE TO MONTANA'S CONGRESSIONAL DELEGATION ENCOURAGING RETURNING 75% FEDERAL FUNDING TO SUPPORT THE YOUTH CHALLENGE PROGRAM. Motion carried 7-0 by voice vote.**

**Motion/Vote: SEN. BALES moved DP 5 BE ADOPTED. Motion carried 7-0 by voice vote.**

**Motion/Vote: SEN. BALES moved DP 9 BE ADOPTED. Motion carried 7-0 by voice vote.**

**Motion/Vote: SEN. BALES moved DP 13 BE ADOPTED. Motion carried 7-0 by voice vote.**

***{Tape: 2; Side: B; Approx. Time Counter: 2.3 - 9.7}***

**Motion/Vote: REP. LEWIS moved DP 8 BE ADOPTED. Motion carried 7-0 by voice vote.**

**Discussion:**

**Mr. Younkin** stated that DP 8 is 100% federally funded. If the federal government ceases to fund the program, the Army National Guard must again approach the legislature with a new proposal.

**Motion/Vote: CHAIRMAN FISHER moved DP 14 BE ADOPTED. Motion carried with SEN. STAPLETON voting no by voice vote.**

**SEN. STAPLETON** asked why there is such disparity between the Army Guard and Air Guard general fund request with similar FTE's.

**Gen. Mosley** stated that the bulk of the employees of the Air National Guard is in one location and most of the FTE's are firefighters which are 100% federally funded. The Army Guard program has facilities in 23 different locations, thus the difference in expense. The bulk of personnel in the Army Guard program are either to maintain facilities, operate training ranges, etc.

**Motion/Vote: SEN. SCHMIDT moved DP 4 BE ADOPTED. Motion carried 7-0 by voice vote.**

**Motion:** SEN. STAPLETON moved to ADD \$75,000 TO THE BOTTOM LINE GENERAL FUND BUDGET FOR THE MONTANA AIR GUARD FOR FY 2004 AND FY 2005.

*{Tape: 2; Side: B; Approx. Time Counter: 21.4 - 22.7}*

**Substitute Motion/Vote:** SEN. SCHMIDT moved that THE \$112,000 BE ADDED BACK IN BRINGING TOTALS TO \$112,564 AND \$112,190. Motion carried 5-2 with REP. FISHER AND REP. JUNEAU voting no by hand vote.

*{Tape: 2; Side: B; Approx. Time Counter: 23.1 - 27.8}*

**Motion/Vote:** SEN. STAPLETON moved to PUT \$57,143 INTO THE ARMY GUARD IN FY 2004 AND \$34,970 IN FY 2005 THUS ADOPTING BOTH THE EXECUTIVE'S BUDGET AND THE DEPARTMENT'S GENERAL FUND BUDGET FOR THOSE TWO YEARS. Motion carried 4-3 with REPS. FISHER, CALLAHAN AND JUNEAU voting no by voice vote.

**Motion/Vote:** SEN. BALES moved DP 210 BE ADOPTED. Motion carried 7-0 by voice vote.

**Motion/Vote:** REP. LEWIS moved DP 7002 BE ADOPTED. Motion carried 7-0 by voice vote.

CHAIRMAN FISHER stated that Centralized Services will be \$44,700 below the executive budget.

**Motion/Vote:** SEN. BALES moved DP 18 BE ADOPTED. Motion carried 6-0 by voice vote. Rep. Juneau was absent during vote.

*{Tape: 3; Side: A; Approx. Time Counter: 2.7 - 13.1}*

**Motion:** SEN. BALES moved DP 7001 BE ADOPTED.

**Discussion:**

SEN. SCHMIDT asked what ramifications this would have on the Veteran's Affairs Division. **Joe Foster**, stated the division has now lost two FTEs which means the closing of one field office.

SEN. BALES asked about two bills (SB 4 and SB 50) recently heard about additional funding for veteran's services. He asked Mr. Foster how soon funding will be available for the Veteran's Affairs Division if those bills pass. **Mr. Foster** stated that if

SB 50 passes, the funding would come on line January 1, 2004.

**SEN. BALES** asked if there will be funding if either of those bills pass. **Mr. Foster** stated that he will have one fewer FTE regardless of the outcome of those bills.

**Vote:** Motion carried 4-3 with **REP. CALLAHAN AND SEN. SCHMIDT** voting no by voice vote. **REP. JUNEAU** voted no by proxy.

*{Tape: 3; Side: A; Approx. Time Counter: 13.2 - 16.0}*

**Motion:** **SEN. STAPLETON** moved to **ACCEPT THE MILITARY AFFAIRS BUDGET AS AMENDED.**

**Discussion:**

**REP. LEWIS** asked Mr. Younkin if the subcommittee is now approximately \$220,000 over the governor's budget. **Mr. Younkin** stated that this committee has made amendments to that new legislative budget with the amounts now added back in. The amount of unspecified reductions are now about \$150,000 for FY 2004.

**Vote:** Motion carried 4-2 with **REP. CALLAHAN AND SEN. SCHMIDT** voting no by voice vote.



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**ADJOURNMENT**

Adjournment: 10:30 A.M.

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REP. STANLEY (STAN) FISHER, Chairman

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MARIAN COLLINS, Secretary

SF/MC

**EXHIBIT** (jch08aad)